

## VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2012-13 Adjusted Base	Request		2013-15 Change Over Base Year Doubled		2012-13	Request		2014-15 Over 2012-13	
		2013-14	2014-15	Amount	%		2013-14	2014-15	Number	%
GPR	\$2,627,700	\$4,127,000	\$19,991,800	\$18,863,400	358.9%	0.00	0.00	117.30	117.30	N.A.
FED	2,662,800	2,625,500	1,281,900	- 1,418,200	- 26.6	12.00	12.00	12.00	0.00	0.0%
PR	97,002,500	97,135,500	96,204,700	- 664,800	- 0.3	1,006.10	1,006.10	1,004.61	- 1.49	- 0.1
SEG	35,155,600	35,102,100	19,705,100	- 15,504,000	- 22.1	118.00	118.00	3.00	- 115.00	- 97.5
TOTAL	\$137,448,600	\$138,990,100	\$137,183,500	\$1,276,400	0.5%	1,136.10	1,136.10	1,136.91	0.81	0.1%

### Major Request Items

### General Agency Provisions

#### 1. STANDARD BUDGET ADJUSTMENTS

Request a funding decrease of \$731,900 (-\$37,300 FED, -\$641,100 PR, and -\$53,500 SEG) in 2013-14 and \$804,300 (-\$37,300 FED, -\$641,100 PR, and \$125,900 SEG) in 2014-15 and a reduction of 2.00 SEG positions, beginning in 2014-15, to reflect the following: (a) turnover reduction (-\$441,600 PR and -\$82,700 SEG annually); (b) removal of non-continuing items (-\$36,000 FED and -\$254,000 PR in 2013-14 and -\$36,000 FED, -\$254,000 PR, -\$72,400 SEG and -2.00 SEG positions in 2014-15); (c) full funding of salary and fringe benefits (-\$1,300 FED, -\$4,531,700 PR, and \$8,100 SEG annually); (d) overtime (\$2,395,000 PR annually); (e) night and weekend salary differentials (\$2,191,200 PR annually); and (f) lease and directed move costs (\$21,100 SEG annually). The requested funding reduction for turnover reflects 1% of adjusted base permanent position salaries for positions at the Veterans Homes and 3% of adjusted base permanent position salaries for SEG-funded positions that administer loans and aids to veterans.

	Funding	Positions
FED	- \$74,600	0.00
PR	- 1,282,200	0.00
SEG	- 179,400	- 2.00
Total	- \$1,536,200	- 2.00

#### 2. GPR SUPPORT FOR PROGRAMS CURRENTLY FUNDED BY SEGREGATED FUNDS

Request \$1,500,000 GPR in 2013-14 and \$10,700 (\$17,364,800 GPR, -\$670,600 PR, -\$15,339,900 SEG and -\$1,343,600 FED) in 2014-15 to reflect the net fiscal effect of

	Funding	Positions
GPR	\$18,864,800	117.30
PR	- 670,600	- 1.39
SEG	- 15,339,900	- 113.10
FED	- 1,343,600	0.00
Total	\$1,510,700	2.81

replacing support for various programs that are currently funded with SEG revenues from the veterans trust fund (VTF) and the mortgage loan repayment fund (MLRF) with general purpose revenue (GPR) to address a projected deficit in the VTF and to reduce spending from the MLRF that DVA does not use for bond repayments. This item includes a net increase of 2.81 (all funds) positions, beginning in 2014-15, including 4.56 additional classified positions and a reduction of 1.75 unclassified positions.

*Fiscal Year 2013-14.* Increase funding that supports the agency's general program operations for the administration of loans and aids to veterans by \$1,500,000 in 2013-14. The agency's request would not reduce SEG funding authority by a corresponding amount. However, DVA indicates that the GPR funding is needed to address a projected shortfall in the fund in 2013-14.

*Fiscal Year 2014-15.* Delete all SEG funding and position authority for most appropriations that are currently supported by the VTF (-\$11,927,400 SEG and -77.9 SEG positions). Delete all funding budgeted in a federal appropriation to which federal per diem payments are credited and expended for the operation of the veterans assistance program (-\$1,343,600 FED). Reduce SEG funding from the MLRF that supports general program operations for the loan program (-\$3,412,500 SEG and -35.20 SEG positions). Increase funding that supports the agency's general program operations for the administration of loans and aids to veterans by \$17,364,800 GPR, and convert positions supported with the VTF and the MLRF to GPR, including positions that support the Veterans Museum and cemetery administration and maintenance. As part of this item, reduce PR funding and position authority for the Veterans Homes (-\$670,600 PR) to reflect revised cost allocations for central office staff.

The Department's request would combine (GPR) funding for all of the state operations, aids to individuals and organizations, and local assistance programs that are currently budgeted in separate SEG appropriations (with funding limits established by the appropriation amounts) into one GPR appropriation. DVA indicates that it would adhere to the current statutory provisions and rules that apply to each of these programs. However, the maximum amount DVA could expend for any one of these programs would no longer be established through separate appropriations.

The following table lists the fiscal effect of this item in 2014-15, by program.

## Summary of 2014-15 Funding and Position Changes

Program	Base		Other Items in Request		This Item		2014-15 Total -- Request	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
<b>SEG-Funded Appropriations -- Veterans Trust Fund</b>								
Administration of Loans and Aids to Veterans	\$5,505,100	58.20	-\$207,200	-1.75	-\$5,297,900	-56.45	\$0	0.00
Assistance to Needy Veterans -- Subsistence Grants	100,000	0.00	0	0.00	-100,000	0.00	0	0.00
Veterans Assistance Program -- Fees Assessed to Participants	115,500	0.00	0	0.00	-115,500	0.00	0	0.00
Payments to Veterans Organizations for Claims Service	110,000	0.00	0	0.00	-110,000	0.00	0	0.00
Grants to Counties for Veterans Services Offices	342,400	0.00	0	0.00	-342,400	0.00	0	0.00
Homes for Needy Veterans -- Repair, Maintenance, and Insurance	10,000	0.00	0	0.00	-10,000	0.00	0	0.00
Veterans Assistance Program -- General Program Operations	319,700	4.00	-5,300	0.00	-314,400	-4.00	0	0.00
Grants to Support Transportation Services for Disabled Veterans	200,000	0.00	0	0.00	-200,000	0.00	0	0.00
Veterans Tuition & Fee Reimbursement Program	1,403,100	0.00	0	0.00	-1,403,100	0.00	0	0.00
Veterans Tuition & Fee Reimbursement -- Loan Expenses	50,000	0.00	0	0.00	-50,000	0.00	0	0.00
Retraining Grant Program	210,000	0.00	0	0.00	-210,000	0.00	0	0.00
Assistance for Needy Veterans -- Health Care (Dental, Vision and Hearing Services)	870,000		0	0.00	-870,000	0.00	0	0.00
Cemeteries -- Administration and Maintenance	528,300	6.00	-6,200	0.00	-522,100	-6.00	0	0.00
Cemeteries -- Utilities and DOA Energy-Related Assessments	106,300		0	0.00	-106,300	0.00	0	0.00
Cemeteries -- Repayment of Principal and Interest	85,500		0	0.00	-85,500	0.00	0	0.00
Museum -- Operations Supported by Sales Receipts	170,700	0.00	0	0.00	-170,700	0.00	0	0.00
Museum -- General Program Operations	2,029,900	13.45	-65,700	-2.00	-1,964,200	-11.45	0	0.00
Museum -- Construction and Improvements	52,800	0.00	0	0.00	-52,800	0.00	0	0.00
Museum -- Publications and Exhibits Relating to World War I	2,500	0.00	0	0.00	-2,500	0.00	0	0.00
Veterans Trust Fund Loans and Expenses	<u>3,000,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>3,000,000</u>	<u>0.00</u>
Subtotal	\$15,211,800	81.65	-\$284,400	-3.75	-\$11,927,400	-77.90	\$3,000,000	0.00
<b>SEG-Funded Appropriations -- Mortgage Loan Repayment Fund</b>								
Mortgage Loans for Veterans -- General Program Operations	\$3,527,200	36.35	\$173,800	1.85	-\$3,412,500	-35.20	\$288,500	3.00
SEG Funding Total	\$18,739,000	118.00	-\$110,600	-1.90	-\$15,339,900	-113.10	\$3,288,500	3.00
<b>FED -- Veterans Assistance Program -- Operations Supported by USDVA Per Diems</b>								
	\$1,460,600	2.00	\$800	0.00	-\$1,343,600	0.00	\$117,800	2.00
<b>PR Funding (Veterans Homes)</b>								
Veterans Home at King					-\$394,500	-0.89		
Veterans Home at Union Grove -- Assisted Living Facilities					-29,600	0.14		
Veterans Home at Union Grove -- Nursing Facilities					<u>-246,500</u>	<u>-0.64</u>		
Subtotal					<u>-\$670,600</u>	<u>-1.39</u>		
<b>Requested GPR Funding</b>								
Administration of Loans and Aids to Veterans					17,364,800	117.30		
<b>Grand Total -- All Funds</b>					\$10,700	2.81		

## Veterans Homes

### 1. VETERANS HOMES -- OVERVIEW

The following table identifies the funding and position authority that would be provided for the operations of the skilled nursing facilities at the Veterans Home at King and the Veterans Home at Chippewa Falls and the skilled nursing facilities and assisted living facility at the Veterans Home at Union Grove under the Department's 2013-15 biennial budget request.

#### Department of Veterans Affairs 2013-15 Biennial Budget Request

#### Budget for the Operation of Veterans Homes

	Funding		Positions	
	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
<b>King</b>				
Adjusted Base	\$65,659,600	\$65,659,600	785.27	785.27
Standard Budget Adjustments				
Turnover	-353,500	-353,500		
Delete One-Time Funding	-254,000	-254,000		
Full Funding of Permanent Positions	-3,458,400	-3,458,400		
Overtime	1,802,500	1,802,500		
Night and Weekend Pay Differentials	1,807,200	1,807,200		
Restore Turnover Reduction	353,500	353,500		
Equipment Replacement -- Patient Lifts	332,500	83,100		
Reallocate Central Office Staff Costs	<u>0</u>	<u>-394,500</u>	<u>0.00</u>	<u>-0.89</u>
Total	\$65,889,400	\$65,245,500	785.27	784.38
<b>Union Grove --Skilled Nursing Facility</b>				
Adjusted Base	\$11,401,400	\$11,401,400	135.83	135.83
Standard Budget Adjustments				
Turnover	-63,300	-63,300		
Full Funding of Permanent Positions	-933,800	-933,800		
Overtime	450,000	450,000		
Night and Weekend Pay Differentials	308,100	308,100		
Transfers from Assisted Living Facilities	1,745,900	1,745,900	31.00	31.00
Restore Turnover Reduction	63,300	63,300		
Reallocate Central Office Staff Costs	0	-246,500		-0.64
Reallocate Mortgage Loan Repayment Fund Costs	<u>0</u>	<u>-10,800</u>	<u>      </u>	<u>-0.10</u>
Total	\$12,971,600	\$12,714,300	166.83	166.09

	Funding		Positions	
	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
<b>Union Grove --Assisted Living Facilities</b>				
Adjusted Base	\$4,612,000	\$4,612,000	58.00	58.00
Standard Budget Adjustments				
Turnover	-24,800	-24,800		
Full Funding of Permanent Positions	-211,300	-211,300		
Overtime	142,500	142,500		
Night and Weekend Pay Differentials	75,900	75,900		
Transfers from Assisted Living Facilities	-1,745,900	-1,745,900	-31.00	-31.00
Restore Turnover Reduction	24,800	24,800		
Reallocate Central Office Staff Costs	<u>0</u>	<u>-29,600</u>	<u>0.00</u>	<u>0.14</u>
Total	\$2,873,200	\$2,843,600	27.00	27.14
 <b>Chippewa Falls --Skilled Nursing Facility</b> (Operated by Health Dimensions Under Contract)				
Adjusted Base	\$6,379,700	\$6,379,700	0.00	0.00

## 2. RESTORE TURNOVER REDUCTION

PR	\$883,200
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Request \$441,600 annually to restore funding that would be deleted as a standard budget adjustment for turnover at the nursing home at King (\$353,500 annually), the nursing home at Union Grove (\$63,300 annually), and the assisted living facility at Union Grove (\$24,800 annually). DVA indicates that the agency does not save money when direct care positions are on leave, in training, or become vacant, since the hours that would have been worked by these employees are worked by other staff who work overtime, by limited term employees, or by contracted workers.

## 3. REPLACE PATIENT LIFTS

PR	\$415,600
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Request \$332,500 in 2013-14 and \$83,100 in 2014-15 to replace patient lifts at the Veterans Home at King. The Department indicates that 100 of its 169 floor-style lifts are fully depreciated and have reached the end of their ten-year safe mechanical life. Staff use lifts to transport residents to and from their beds without risking injuries to themselves. The Department would purchase 80 lifts in 2013-14 and 20 lifts in 2014-15.

## 4. MAINTAIN NURSING HOME BED ASSESSMENT EXEMPTION FOR VETERANS HOMES

Request a statutory change that would continue to exempt DVA from paying the nursing home bed assessment through the 2013-15 biennium.

2011 Act 32 (the 2011-13 budget act) exempted DVA from paying the assessment in the 2011-13 biennium and reduced DVA's budget by \$1,862,500 PR annually to reflect that DVA

would not make these payments to the Department of Health Services (DHS). All nursing home assessment revenue DHS collects is deposited to the MA trust fund, which provides a non-GPR funding source for the state's share of MA benefit costs. Consequently, Act 32 increased GPR funding for MA benefits by \$1,715,600 in 2011-12 and by \$1,813,500 in 2012-13 to replace the assessment revenue DHS did not collect from DVA.

It is estimated that if DVA were no longer exempt from the bed assessment, revenues to the MA trust fund would increase by approximately \$1,940,000 per year (951 licensed beds x \$170 per month x 12 months), resulting in a reduction in the need for a corresponding amount of GPR to support MA benefits costs.

DVA is required to establish private pay rates at its nursing homes that are based on the actual cost of care the homes provide. These costs include DVA's cost of paying the assessment. DVA estimates that if its nursing homes were not exempted from the assessment in the 2013-15 biennium, it would need to increase private pay rates at the homes by approximately \$2,200 annually to recover the costs of paying the assessment. DVA estimates that there will be approximately 104 private pay members at the home in each year of the 2013-15 biennium.